(b) the number of instances where sellers and traders have refused to effect any downward trend in the prices despite decline in the rate of excise duties or have refused to lower prices by the same proportion; and

(c) the measures Government propose to undertake aqainst the delinquent traders and sellers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b) Excise duty is levied at production point and there is a long chain of intermediaries between production point and the consumer, who add their cost and profit to the ex-factory prices. The price of commodities depends on multiplicity of factors including cost or production, demand and supply interplay, level of taxation, prices of competitors products etc. Excise duty is, therefore, only one amongst several elements which determine the commodity price. Hence, changes in the excise duty rates on specific commodities may not translate into proportionate changes in their market prices. It is, therefore, not feasible to exactly co-relate the reduction in prices corresponding to the reduction of excise duty by the Government.

After presentation of the 1993-94, 1994-95 & 1995-96 Budgets, Bureau on Industrial Costs & Prices was asked to conduct a quick study of a few selected commodities and as per their reports the following industries have not passed the excise duty concession in full to the consumers:—

1993-94

1. Man-made fibre
2. Drugs
3. Cosmetics

1994-95

1. Floor coverings
2. Glazed Ceramic tiles & ceramic articles
3. Paints (some units)

1995-96

1. Hair Oil
2. Aerated Soft Drinks.

(c) In view of above, it is not feasible to enforce through legal mechanisms a reduction in prices corresponding to the reduction of excise duty. However, the Ministry of Civil Supplies, Consumer Affairs and Public Distribution and other administrative Ministries hold discussions with trade and industry and take other measures in this regard and also monitor prices.

Constitution of a working Group of R.B.I.

227. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has constituted a working group to analyse the various schemes and incentives for Non-Resident Indians;

(b) if so, the details thereof; and

(c) the time by which the working group is likely to submit its recommendations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL): (a) and (b) Yes Sir. A working Group was set up by Reserve Bank of India (RBI) on 14.10.1994 with representations from RBI and Government. The working Group was constituted to review the various schemes and incentives available to Non-Resident Indians (NRIs) for investment in India, the operative procedures and to recommend modification/amendment to the schemes and procedures as considered necessary to the Government of India.

(c) The Working Group has submitted their recommendations to the RBI in May, 1995.

RBI's Committee for Improved Customer Service

228. SHRI PRAMOD MAHAJAN:
SHRI VIREN J. SHAH:

Will the Minister of FINANCE be pleased to state: